



March 13, 2007

Via Electronic Filing

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 Twelfth Street, SW, TW – A325
Washington, DC 20554

Re: Written Ex Parte Presentation in WT Docket No. 07-16 and WT Docket No. 07-30

Dear Ms. Dortch:

On March 12, 2007, I met with Joel Taubenblatt, Peter Daronco, David Hu and Walt Strack of the Wireless Telecommunications Bureau regarding M2Z Networks Inc.'s pending license application to construct a nationwide wireless broadband network.

During our conversation, we discussed how M2Z is prepared to make a large-scale national infrastructure investment that will result in tangible benefits to the consumer welfare and the public interest. We further discussed the fact that the benefits of M2Z's entry into the broadband marketplace have been quantified by Simon Wilkie, Ph.D., Executive Director, Center for Communication Law and Policy, University of Southern California. Dr. Wilkie recently completed and filed an economic study into the record in the above-referenced proceedings which demonstrates that M2Z's proposal, if approved, would increase consumer welfare by 18-25 billion dollars, as summarized in the attached chart.

The study arrived at this figure by closely examining three first-order effects of M2Z's entry on consumers: (1) benefits to consumers of broadband services due to lower prices; (2) benefits from increased broadband access via either (a) the provision of broadband access to consumers without prior access to broadband or (b) an avoided new broadband USF fee; and (3) royalty payments for the spectrum to be leased by M2Z.

We further discussed the fact that Dr. Wilkie employed a methodology to calculate the consumer welfare benefit offered by M2Z that results in a number that is large, but, at the same time, likely *underestimates* the benefit that consumers will receive. This is because the Wilkie Economic Study utilizes a strictly conservative approach that does not seek to quantify: (1) benefits to consumers of M2Z's paid subscription service as well as benefits to

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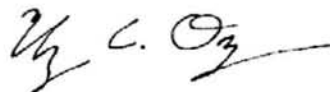
consumers who had broadband access prior to M2Z's entry; (2) the effects of M2Z's entry on the incentives of existing broadband providers to innovate and invest in their networks; and (3) consumer benefits from increased innovation and investment in other industries as a result of increased and cheaper broadband access for U.S. consumers due to M2Z's service.

Moreover, I explained that the study's calculation of the first-order effects of M2Z's entry on consumers similarly utilizes a highly conservative approach. For example, Dr. Wilkie estimates the benefits to consumers of broadband services by assuming that M2Z's entry will lead to a reduction in the price of broadband access in the U.S. by one dollar. As explained on page 11 of the economic paper, "this assumed price reduction [is] conservative in light of the observed declines in the price of wireless telephone services following entry into the duopoly cellular markets beginning in 1995 (between 1994 and 2002, the average revenue per minute declined by approximately 77 percent)."

Standing alone, the economic paper provides adequate justification for the grant of M2Z's license. Nevertheless, we also discussed the robust and diverse record in support of M2Z's application. In addition, we conversed about the recently established pleading cycle for the application as announced in a public notice released by the Wireless Telecommunications Bureau on March 9, 2007.

Pursuant to Section 1.1206(b) of the Commission rules, an electronic copy of this letter is being filed. Please let me know if you have any other questions regarding this submission.

Sincerely,

A handwritten signature in black ink, appearing to read "Uzoma C. Onyeije", with a stylized flourish at the end.

Uzoma C. Onyeije
Vice President Regulatory Affairs

Enclosures: (1)

cc: Joel Tabenblatt
Peter Daronco
David Hu
Walt Strack

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SUMMARY OF NET PRESENT VALUE OF CONSUMER BENEFITS FROM M2Z'S PROPOSAL

Scenario 1: Benefits of M2Z Assuming a New Broadband USF Fund Is Not Adopted				
Consumer Benefit Category	Net Present Value of Consumer Benefits from M2Z's Proposal (\$ million)			
	Total M2Z Customers (million)			
	1	5	10	15
NPV of Benefits from M2Z's Service Due to Reduction in Broadband Prices (2008 onwards) (\$ million)	13,115	13,115	13,115	13,115
NPV of Benefits from M2Z's Free Service for Consumers Without Prior Broadband Access (2008-2022) (\$ million)	12,318	12,318	12,318	12,318
NPV of Royalty Payments for M2Z's Spectrum Lease (2008 onwards) (\$ million)	36	179	358	536
Total NPV of Consumer Benefits (\$ million)	25,469	25,612	25,791	25,970

Scenario 2: Benefits of M2Z Assuming a New Broadband USF Fund is Adopted				
Consumer Benefit Category	Net Present Value of Consumer Benefits from M2Z's Proposal (\$ million)			
	Total M2Z Customers (million)			
	1	5	10	15
NPV of Benefits from M2Z's Service Due to Reduction in Broadband Prices (2008 onwards) (\$ million)	13,115	13,115	13,115	13,115
NPV of Benefits from M2Z's Free Service Due to Avoided Broadband USF Fees (2008-2022) (\$ million)	5,172	5,172	5,172	5,172
NPV of Royalty Payments for M2Z's Spectrum Lease (2008 onwards) (\$ million)	36	179	358	536
Total NPV of Consumer Benefits (\$ million)	18,323	18,466	18,645	18,824

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